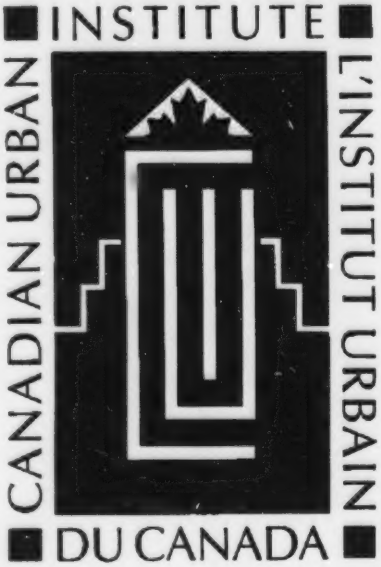
CANADA-HUNGARY MUNICIPAL COOPERATION PROGRAM ON STRATEGIC URBAN MANAGEMENT

FINAL NARRATIVE REPORT

For the Reporting Period:
July 14, 1996 to July 14, 1998

(Incorporating the Eighth Interim Report
for the reporting period: April 1 to July 14, 1998)



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Funded by:
Program of Cooperation with Central and Eastern Europe
Canadian International Development Agency

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CANADA-HUNGARY MUNICIPAL CO-OPERATION PROGRAM ON STRATEGIC URBAN MANAGEMENT

Final Narrative Report
For the Period: July 14, 1996 to July 14, 1998

1. INTRODUCTION

With funding from CIDA's Program of Cooperation with Central & Eastern Europe, the Canadian Urban Institute (CUI) managed the *Canada-Hungary Municipal Cooperation Program* (CHMCP). This two-year technical cooperation program began on July 14, 1996, and ended on July 14, 1998. The CHMCP is being undertaken in partnership with the Hungarian Urban Association (MUT) and the Cities of Eger, Nagykáta and the twentieth district of Budapest, known as District XX or Pesterzsébet.

Since 1991 the CUI has been assisting Hungary in the formation of municipal management systems that are based on the principles of sustainable development: economic efficiency, environmental soundness and democratic decision-making. As the priorities of the Hungarian government for Canadian cooperation have further focused towards municipal management, economic development and stakeholder involvement, the CUI embarked on a new program with the fundamental goal being:

> ***To assist in Hungary's democratisation process by supporting the formation of democratic and self-reliant municipal management systems in a manner that generates substantial benefits for Canada and Hungary that are sustainable in the long-term.***

In order to accomplish this goal, three objectives were pursued:

1. *To support the formulation and implementation of three municipal economic strategy development (MESD) processes*[1]. Key activities include:

   - Assisting in the formulation of three municipal economic development strategies. This includes: analysis of the external and local economic environments; development of a vision of success, selection of strategic directions; and preparation of action plans.
   - Assisting in the implementation of at least two demonstration projects for each MESD process.
   - Assisting in the establishment of a performance measurement system for monitoring and evaluating the implementation of each MESD process.

[1] According to the Contribution Agreement, the CUI was to support two MESD processes. However, the CUI expanded the number of participating municipalities to three due to an overwhelming response as well as to create additional synergies and efficiencies amongst the municipalities.

2. *To diffuse municipal and economic development expertise throughout Hungary.* Working in partner ship with the Hungarian Society for Urban Planning (MUT) the CUI's commitment was to assist in:

   - Building the capacity of Hungarian professionals in the areas of municipal management and economic development. This is being accomplished through: (1) conducting of on-site seminars and workshops; (2) supporting the involvement of educational institutes; (3) compiling best practices / case studies; and (4) undertaking professional assignments in Canada and Hungary.

   - Conducting three regional workshops for the sharing of experiences and approaches with urban professionals from and outside of the partner municipalities.

   - Producing and disseminating CHMCP information (including newsletters, case studies and educational materials) throughout Hungary.

3. *To promote the creation of mutually beneficial linkages between Canada and Hungary.* Canadian and Hungarian professionals are being provided with a solid understanding of one another's capabilities and needs through: the provision of opportunities to develop working relationships, and the dissemination of CHMCP information via newsletters, publications, special purpose reports, electronic mail and the CUI's world-wide web site.

This document, the Final Narrative Report, provides an analysis of activities and achievements of the program, from July 14, 1996 to July 14, 1998 and incorporates the Eighth Interim Report for the period from April 1 to July 15, 1998.

2. SUMMARY OF ACTIVITIES & ACCOMPLISHMENTS

Project Management Structures

- The CUI-Hungary Project Office was located in Budapest District XX's city hall and staffed by:

– Zoltán Csepiga	Project Manager
– Sándor Damásdi	Communications Coordinator
– Gizella Börcsök	Project Coordinator responsible for Budapest District XX and Eger
– Levente Boronkai	Project Coordinator responsible for Nagykáta & experience dissemination
– Gyula Fogarasi	Technical Advisor & Planner with VÁTI

- Established a Hungarian Advisory Committee consisting of key government officials to provide recommendations with respect to project implementation:

– László Habis	Vice-Mayor, Eger
– Katalin Bodroginé	Mayor, Nagykáta
– András Szabó	Strategic Planning Manager, District XX
– Zoltan Barabas	Director, Municipal Division, Hungarian Ministry of the Interior
– Károly Bocz	Director of the Department of Environmental Protection, Pest County
– Zoltán Meleg	Head of Department, Municipality of Budapest
– Tamás Lukovich	Executive Director, MUT (until 1998)
– Péter Farkas	Executive Director, MUT (1998 onwards)
– Gyula Fogarasi	CUI Associate Planner
– Arthur Labrecque	Counsellor (Technical Cooperation), Canadian Embassy, Budapest
– Tibor Frank	Director, International Programs Office, CUI
– Zoltán Csepiga	Project Manager, CUI
– Gizella Börcsök	Project Coordinator, CUI
– Levente Boronkai	Project Coordinator, CUI

- Established Strategic Planning Teams in each of the Cities of Eger, Nagykáta and Budapest District XX.
- Established Canadian Advisory Committees to provide support in project implementation, especially regarding the leveraging of additional resources from funding agencies.

Objective 1: To support the formulation and implementation of three municipal economic strategy development (MESD) processes.

The following is a summary of the highlights of Objective 1 of the program. For a detailed analysis of the results of the CUI's activities, please refer to the summaries for District XX, Eger and Nagykáta.

Completed Activities:

- Signed cooperation agreements between the CUI and the three participating municipalities.

- Established multi-stakeholder committee systems and strategic planning offices in each participating municipality.
- Developed communications and public awareness campaigns in each municipality.
- Undertaking MESD processes in Nagykáta and District XX.
- Undertaking MESD process focusing on the development of the tourism and spa industry in Eger as well as providing support to the implementation of their overall strategic plan.
- Implementing demonstration projects in each municipality. They include:
  - production of investment brochures in Nagykáta, District XX and Eger.
  - establishment of a managerial restructuring program in District XX.
  - creation of "Canada Park", a new municipal park in District XX.
  - rehabilitation of RSD-Danube shore and promenade with the sponsorship of the Municipality of Budapest.
  - creation of a marketing program for the spa industry in Eger.
  - creation of a town reference centre / internet café / small business support centre in Nagykáta.
- Assisting in the writing of proposals to funding agencies such as EU PHARE, World Bank and the Hungarian Government for the implementation of the demonstration projects.
- Developing and continuously updating English and Hungarian language material on the CHMCP for the CUI web site.

Outputs:

- Conducted 33 capacity building seminars with the participation of over 500 local officials and citizens.
- Produced 15 publications, 3 newsletters and 60 media releases.
- Prepared situation analyses in each municipality.
- Completed municipal strategic plans with an economic development focus in Nagykáta and District XX.
- Drafted a preliminary economic development plan and spa industry strategy for Eger.
- Created investment brochures for Nagykáta and District XX in English and Hungarian which are also available on the CUI website.
- Prepared 4 proposals for funding to:
  - Municipality of Budapest for implementation of CHMCP activities in District XX.
  - PHARE Democracy Program for the mayor's office of District XX to undertake 10 training programs in democratic governance and public participation.
  - Ministry of Industry, Trade and Tourism to implement tourism development-related programs in Eger.
  - World Bank's Economic Development Institute (Subnational Development Program - Hungary) to conduct research on alternative service delivery for municipal services in Hungary.

Consequences:

- Ongoing utilisation of strategic planning and democratic decision-making techniques in the three participating municipalities.
- Strategic Plans developed in the three CUI partner municipalities, are often referred to for an indication of public opinion by the Councils when making decisions.
- Requests for information on the CHMCP can be filled quickly through the CUI's bilingual (English/Hungarian) web site.
- The CHMCP has helped District XX to:
  - Finalise its Strategic Plan and gain Council approval for both the Strategic Plan and for a budgetary allocation to continue the strategic planning process.
  - allocate a total of 3,325,000.00 HUF from the Municipality of Budapest to support CHMCP activities.
  - allocate HUF 1.8 million from the District Council for 1998 to support the implementation of the strategic plan by the strategic planning office/manager.
  - apply for over 1 million HUF from PHARE for Civil Association of District XX's training program on democratic governance and public participation in 1998.
  - establish a strategic planning office.
  - establish an economic development office.
  - establish a Council approved monitoring committee and workplan for 1998.
  - create a new business support program.
  - amalgamate the Accountancy and Financial Departments to improve efficiency in municipal management.
  - sign an agreement with TESCO Ltd. to establish a 100,000 m^2 shopping and entertainment centre, the biggest such facility in Central and Eastern Europe. This 13 billion HUF investment will create jobs and opportunities for local suppliers.
  - obtain World Bank EDI contract (20,000 USD) for research on alternative service delivery.
  - establish an "Open Town Hall" and "Open Days" where the city staff, including the mayor, are fully accessible to the public to respond to their concerns.
  - redesign the Customers' Services Office to be more attractive and efficient in responding to citizens' enquiries.
  - prepare an information booklet/guide for municipal services available at the Town Hall.
  - widen the scope of public service delivery. Some municipal services, including management and maintenance of municipal housing, greening of the District and public works, are now delivered by the City Management Holding (CMH), established in 1997.
  - improve sport in the municipality. A plan to the year 2000 to encourage sport and improve sport facilities in the municipality is being realised as the János Kajdi Foundation Sports Centre's arena nears completion in 1998; 168 million HUF have been raised for this scheme through public and private donations.
  - establish a new bylaw on the social benefit distribution system. From January 1998, the majority of social benefits are no longer distributed in cash but in "giro" which can be used directly in shops and supermarkets.
  - conclude a Partnership Agreement between the municipality and the Budapest Chamber of Commerce.

- The CHMCP has helped Eger to:
  - allocate 200 million HUF for the development of the local spa industry.
  - secure 2 million HUF from the Ministry of Industry, Trade and Tourism for tourism development activities in Eger.
  - form an ongoing relationship with the World Bank's Subnational Development Program.
  - establish a program for the preservation of the historic downtown.
  - sign an agreement with private developers for the establishment of a 12,000 m^2 shopping centre.
  - successfully lobby for the creation of an improved motorway between Eger and Budapest.
  - upgrade the local train station and establish a direct train route to Budapest, allowing Eger to increase its tourism revenues.
  - achieve recognition as one of the most innovative municipalities in Hungary.
  - leverage other opportunities with the National Government and international funding agencies.
  - finalise the draft of a spa development plan including an economic development plan and a spa industry strategy.
  - conduct a fiscal analysis of the City's current position, opportunities and constraints in order to facilitate the implementation of the spa program.
- The CHMCP has helped Nagykáta to:
  - sign an agreement with Clarion Ltd. to build a car navigation system-manufacturing facility. This 900 million HUF investment will directly create 750 jobs.
  - conduct public consultation activities.
  - create an economic development officer position.
  - develop and publish an English language investment brochure designed to attract investors and promote the city's advantages. The brochure is also available through CUI's web site.
  - finalise its Strategic Plan through adding a detailed Action Plan to the document .
  - win two grants which total 2,500,000.00 HUF which will assist in the establishment of a City Information Centre/Internet Café.

Objective 2: To diffuse municipal management expertise throughout Hungary.

Completed Activities:

- Established a communication and information task force to disseminate CHMCP experiences throughout Hungary.
- Developed training modules including curriculum and guide books in the following subjects:
  - strategic planning
  - public participation
  - municipal economic development.
- Compiled over 60 best practices / case studies.
- Held an essay competition for participants of CUI training modules to write about the application of a

technique they learnt in the module. The winner participated in the study tour to Canada in June 1998.

- Organised a study tour on strategic planning and municipal economic development in Canada for 11 Hungarian professionals in November 1996. Areas of study included:

  - role of the local economic developer.
  - fostering cooperation between the municipality and the private sector in municipal economic planning.
  - promoting your municipality as a tourist destination.
  - examination of an experience in strategic planning: the City of London's Vision '96.
  - entrepreneurship and municipal economic development: the promotion of new businesses through business incubator centres.
  - revitalisation in targeted areas: business improvement areas (BIAs).
  - streamlining of the development approvals process: a building block for economic development.
  - tourism development in the Niagara Region.
  - foreign investment and municipal economic development.
  - regional sourcing and municipal economic development: matching local buyers with local suppliers.
  - techniques of group facilitation and strategic planning.

- Conducted 5 Regional Workshops/Training Modules, in partnership with MUT, in order to disseminate the CHMCP experiences to urban professionals throughout Hungary:

  - a two-day workshop focusing on strategic planning in March 1997. Topics included strategic planning methodologies, visioning and group facilitation, consensus building, priority setting, and quality management. The CUI's Guide to Municipal Strategy Development was used as a training manual.
  - a two-day workshop in April 1997 as part of MUT's Annual Conference. Topics included the CHMCP achievements, and the benefits of multi-stakeholder strategic planning.
  - a two-day event on public participation in planning in May 1997. Topics included public participation methodologies, design of locally-appropriate approaches, communication techniques, and Hungarian municipal case studies. The CUI's guide on public participation was used as a training manual.
  - a two-day event on municipal economic development in October 1997. Topics included economic base analysis, the evolving roles of municipalities in economic development, and strategic economic planning methodologies. The CUI's training module on municipal economic development was used.
  - a two day event called "The National Workshop for Policy Dialogue". This workshop examined the results of the CHMCP as well as directions for national and municipal policy. This event was held in partnership with CIDA, World Bank, IBRD, USAID,, ICMA, BKHF, UI and the Hungarian Council of Municipal Associations.

- Participated in the CUI Regional Workshop on Organisational Effectiveness, Performance Measurement and Facilitation Skills in Tallinn, Estonia in October 1996.

- Assisted in the organisation of the World Bank Economic Development Institute's conferences on (1) local government and economic development and (2) municipal creditworthiness.

- Negotiated successfully with educational institutes to include CUI curriculum in their professional

training programs.

- Assisted the Civil Association of District XX in the development of a training program on democratic governance and public participation.
- Participated in the CUI Regional Conference on Heritage Preservation in Vilnius in October 1997.
- Undertook 11 Canadian professional assignments in Hungary.
- Networked with international donor and aid institutions in the municipal field through USAID's Town Hall Meetings.
- Promoted CUI activities in the last quarter through 2 interviews, a 3 hour report in November 1997 on District XX and a conference on shopping malls, all sponsored in part by Civil Rádió.
- Organised a Study Tour of Canadian Experiences in Public - Private Partnerships, Alternative Service Delivery and Investment Attraction for 10 Hungarian professionals in July 1998. Activities and areas of study included:
  - creating a municipal environment for investment.
  - municipal bond and credit rating.
  - municipal performance measurement systems.
  - representatives from Hungarian municipalities presented their infrastructure needs to Canadians seeking international investment opportunities at the Toronto Board of Trade.
  - the City of Kingston's experiences with establishing an economic development corporation to attract investment.
  - workshops and case studies in alternative service delivery and public-private partnerships.
- Supported the initiative of the Association of County Councils to establish a foundation to promote training of municipal officers.
- Prepared a draft of CUI's Strategic Planning Handbook in Hungarian in order to disseminate Canadian knowledge in this subject and to help in training municipal officers.
- Participating in establishing an Environmental Resource and Information Centre (ERIC) together with the Regional Environmental Centre.
- Participated in the Savaria Summer University on the topic of transferring Canadian Development experience to the Hungarian context.

Outputs:

- Produced a communications and information strategy to disseminate the results of the CHMCP activities throughout Hungary.
- Produced training modules on: (1) strategic planning; (2) public participation; and (3) municipal economic development, including workshop handouts, facilitators' guides and supporting case studies. These modules have been published and are available to Hungarian educational institutes and other organisations.
- Published and distributed 3 CHMCP newsletters to more than 4,000 individuals and organisations

throughout Hungary.

- Achieved a wide range of media coverage for the CHMCP, including more than 60 newspaper articles, and radio and television interviews.

- Signed a Cooperation Agreement with Széchenyi István College to use CUI strategic planning and municipal economic development curricula in its programs. A draft curriculum has been approved by the College's Senate.

Consequences:

- Provided Hungarian professionals with skills to complete their own strategic economic development plans and with the ability to transfer these skills to other Hungarian urban professionals.

- Providing ongoing support for several other local authorities and municipal activities in Hungary:
  - publishing a Questionnaire in the *Municipal Review*, the periodical of the Ministry of the Interior, which is mailed to all 3,200 municipalities in Hungary. Municipalities which respond will be invited to the CHMCP's fifth Regional Workshop.
  - advising Bodrog és Hernádvölgye Regional Municipal Association in the development of their current public participation program.
  - advising the Hungarian National Government which is in the process of designing a public participation methodology for the National Regional Development Strategy.
  - supporting the Hungarian Development Foundation in the design of an inter-municipal liaison program.
  - supporting Pest County in the process of developing its own strategic plan, the "County Development Concept".
  - advising the Technical Association of Pest County in the development of training materials for a program which will assist 200 municipalities in the preparation of strategic plans.
  - Assist the Civil Society of District XX in the implementation of their PHARE-funded training program on local governance and democratic decision-making.

- Developed a strategic planning course outline and Hungarian handbook based on the CUI's training modules for Széchenyi István College (SZIF). This exercise was assisted by Professor Eva Samery of Ryerson University. The curriculum has been approved by the University Senate. In addition, the Faculty of Economics of Gyor accepted a proposal to make this course mandatory for students who major in Economics. This proposal is now before the University Senate for final approvals.

- Exploring the integration of CUI's strategic planning training modules into courses offered by The Teacher's Training College in Eger, Eszterházy Károly, by sharing the course materials and handbook, and providing consultancy.

- Conducting 10 training programs on local governance and democratic decision making. Funding will be sought from EU PHARE to support this training in 1998.

- Linking several Hungarian and foreign institutions' web sites to the CUI website.

- Recognised Mrs. Irén Kiss, Notary of the Municipality of DXX and participant in CUI training programs, who has been awarded the Golden Merit Cross of the Hungarian Republic for her successful and fruitful work by the President of the Hungarian Republic on March 13.

- Completed the third Regional Workshop in partnership with the World Bank, the Know-How Fund and US donor organisations in July 1998.

Objective 3: To promote the creation of mutually beneficial linkages between Canada and Hungary.

Completed Activities:

- Undertook market intelligence surveys on housing and construction related opportunities for Canadian housing exporters in Hungary. Surveys incorporated into final report published as part of the *Housing Export Opportunities Series* for Canada Mortgage and Housing Corporation.

- Facilitated meetings between Hungarian and Canadian professionals in a wide array of fields including municipal economic development, the recycling industry, academia, housing manufacturing and private consulting. Examples include:

  - Quebec and Ontario trade offices and District XX, to discuss investment opportunities for Canadians in Hungary.
  - Trizec-Hahn and the CUI, to discuss investment opportunities.
  - ongoing meetings with the Canadian-Hungarian Chamber of Commerce and the CUI, to discuss collaboration of efforts in the promotion of Canada-Hungary linkages.
  - Ryerson Polytechnic University and the CUI, to create linkages between Canadian and Hungarian educational institutes and to share curriculum.
  - hosting of two events at the Toronto Board of Trade which allowed the municipalities to profile their opportunities to Canadian investment and business audiences.

- Conducting ongoing meetings with the Canadian Chamber of Commerce in Hungary (CCCH) to keep Canadians in Hungary informed of the CUI's activities. In addition the Hungarian Canadian Chamber of Commerce (HCCC) was kept well informed of our activities and helped facilitate linkages on several occasions.

- Held a seminar in November 1996 on investment opportunities in the participating municipalities at the Metro Toronto Board of Trade, attended by over 50 Canadian developers and business interests.

- Produced and distributed 4 issues of *The Urban Century*, the CUI's quarterly newsletter to a network of 3,000 Canadian professionals. This newsletter is being used to update Canadian professionals on CHMCP activities and achievements.

- Redesigned the CUI Website to provide more information on its projects and activities. It now contains a full description of the CHMCP, key documents available for download, and information on becoming involved in the program.

- Completed the English version of the Nagykáta and District XX investment brochures.

- Sent two Canadian consultants in strategic marketing and financial analysis to assist Eger with the development of an overall city and spa industry marketing and investment attraction plan, as well as to conduct a financial analysis of constraints on the city. The same consultants will assist with and comment on investment and marketing materials developed by District XX. These consultants have been requested by Eger to return in future to assist with ongoing implementation. CESO has agreed in

principle to support this activity.

- Delivered a paper on Canadian housing expertise and it's potential and current export to Hungary, at the Nádasdy Foundation's Symposium *Energy and Environment*, March 1998.
- Held a breakfast seminar at the Toronto Board of Trade on investment opportunities in Hungary attended by 75 developers and business interests, June 1998.
- Developed a database of over 700 Canadian companies who are either working in or interested in working in Hungary.

Outputs:

- A market intelligence report for Canadian housing exporters, identifying opportunities in Hungary. A summary of this report was included in *the Urban Century*.
- Three issues of *the Urban Century* containing articles on the activities of the CHMCP.
- A country study of Canada, published in the Hungarian daily VILÁGGAZDASÁG (World Economy), containing an interview with the CUI and detailing its activities in Hungary (including CUI's role in facilitating Canada-Hungary linkages).

Consequences:

- Established ongoing communications between the City of London (Ontario) and District XX to share information on municipal management. The strategic planning process in District XX was largely based upon the experiences of the City of London.
- Reference to Canadian examples and best practices are frequently being made in the preparation of the DXX investment brochures.

Integration of Women into Program Activities

There is growing recognition both of the critical roles women play in the development process and of the need to address inequalities that exist between genders in this process. The CUI puts special emphasis on ensuring that its activities have a positive effect on women in Hungary and that they are involved and engaged in decision-making, management, planning, implementation, monitoring and evaluation. The CUI is committed to ensuring gender equity in representation and participation in the CHMCP. Women are playing a key role in the coordination and facilitation of the strategic planning processes, through their participation in the Steering Committees, Operation Committees and Municipality Selection Committees. Women have been encouraged to participate in all components of the program, from serving on committees to speaking on women's issues at the strategic planning workgroups. Profiles of a few key women who participated in the CHMCP follow below:

- **Katalin Bodroginé**, the Mayor of Nagykáta, credits the CHMCP with changing the everyday prospects of women in the city. The program was successful in attracting significant investment to her city which in turn will offer training and employment opportunities to women. Mayor Bodroginé has earned a reputation as one of the most progressive mayors in the country.

- **Gizella Börcsök**, Project Coordinator for District XX and Eger has, following the conclusion of the CHMCP, been offered employment as a Regional Planner with VÁTI. Being able to land such a prestigious and responsible position she credits to her experience and skills gained working with the CHMCP.

- **Pálné Szegedi**, Manager of the Nagykáta Library. She played a significant role in the project as the special advisor to Mayor Bodroginé and helped in the preparation of the investment brochure.

- **Marika Cerovszkyné** is the Notary of Nagykáta and a Deputy Mayor. She was involved in the advisory council providing good insights into municipal issues and the implementation of the demonstration projects.

- **Marika Basáné** is the Vice Notary of Nagykáta and a Deputy Mayor. She advised on the implementation of the CHMCP demonstration projects and was a key resource on local municipal issues.

- **Ildikó Fiam** recently attained the position of Acting Director for MUT, the Hungarian Society for Urban Planning . She acted as an advisor to the project on a variety of planning matters. Her involvement in the CHMCP helped to equip her with project management and research skills which assisted her in obtaining her current position.

- **Elizabeth Font** is a XXX with the Hungarian Ministry of the Environment..XXXXXXX.....As a result of the training she received with CUI she has been been given the skills to take on a position of greater responsibility.

- **Eva Samery** a Professor of Urban Planning with Ryerson University has been the driving force and core consultant in the formation of a team to prepare an economic development and strategic planning curriculum in partnership with Ryerson University and Szechenyi Istvan College.

- **Sally Edmonds Preiner** is one of Canada's leading community-based strategic marketing specialists. Her work with the City of Eger has led to the development of a detailed marketing strategy for both the city as a whole and the spa project specifically.

Program Monitoring and Evaluation

The overall effectiveness of the CHMCP has been evaluated through the use of the following mechanisms:

- *A project work plan* which details tasks, dates by which they must be completed, and responsibilities was completed. Project Coordinators are required to provide monthly reports at staff meetings on the progress achieved to date on the work plan, which are then presented to the Project Advisory Committee. Advisory Committee meetings were usually held each quarter. The workplans were updated regularly.

- *Group evaluation sessions* were conducted regularly with participants in Hungary.

- *Participant surveys* were distributed to:
  - every Hungarian professional who undertook an assignment or study tour in Canada, participated in a training workshop or module, and/or is a Steering Committee member.
  - every Canadian who undertakes an assignment in Hungary and/or is a Canadian Advisory Committee member.

  These surveys are analysed by the CUI, to assist in our continuous improvement process, the design and implementation of subsequent assignments, training workshops or meetings.

- *Opinion surveys* were conducted at intervals over the life of the CHMCP to assess the project's progress and impacts.

- *Assignment reports* have been collected from all Canadian and Hungarian professionals travelling on assignment. Each report outlines activities, recommendations and lessons learned. These reports are then made available to participants of the program, as well as other municipalities throughout Hungary.

- *Evaluation interviews* were conducted with key Canadian and Hungarian participants.

- *Staff performance evaluations* and *project progress evaluations* were conducted regularly by the Executive Director of the CUI's International Programs Office.

- *Evaluation interviews with the participating municipalities* were conducted by the CUI Executive Director at least once a quarter, to ensure that the project was meeting their expectations and the work plans prepared were agreed upon.

- *The CUI internal strategic planning / continuous improvement process* continues, with the development of strategies to re-focus the CUI from project-specific management to implementing an overall program philosophy. It is hoped that this approach will increase efficiency while creating greater synergies amongst projects.

- *Letters of Support* were sent in November 1997 by the three mayors of CUI's partner municipalities to IPO to summarise the achievements of the projects. These letters (and translations) are attached to this report (Appendix D).

Program Disengagement Strategy

- The CHMCP has been designed to ensure the successful completion of its stated objectives. A disengagement strategy outlines how the CHMCP will ensure, without further Canadian assistance, the on-going implementation and up-dating of the municipal economic strategy development processes of Eger, Nagykáta and Budapest District XX; the on-going delivery of educational programs for Hungarian professionals in the area of municipal economic development and municipal management; and, the strengthening of mutually-beneficial linkages between Canadian and Hungarian professional and business organisations.

- At the close of the CHMCP, key indicators of long-term sustainability include:

  - The municipalities of Nagykáta and District XX have adopted both the strategic plans produced in partnership with the CHMCP as well as the strategic planning process, by resolutions of their respective councils.
  - The City of Eger officially incorporated the program into its municipal budget, and intends to adopt the results of the city marketing plan and the spa concept. Further, the marketing plans contain a number of workplans which the city is committed to reviewing and implementing as appropriate in the ongoing development cycle.
  - District XX has established permanent strategic planning and economic development offices.
  - The Senate of Széchenyi István College (SZIF) has officially adopted the CUI curriculum into their programs.

- A Strategic Planning Handbook developed for the SZIF course has been translated into Hungarian, and will be distributed for use by municipal officials.
- Ongoing implementation of the demonstration projects

- CIDA has approached the CUI to design a final phase of the *Canada-Hungary Municipal Co-operation Program*. The CUI is working with CIDA, the Canadian Embassy and the World Bank's Subnational Development Program (SNDP) in Hungary to develop this program. The proposed concept will build upon the CHMCP's foundational work, accomplishments and networks in Hungary. The proposal, which is now in its final stages of approval, proposes a two year technical cooperation program focused on conducting research and activities which will provide input to federal - municipal (subnational) financial and credit policy. Within the SNDP framework, the CUI would closely co-operate with the International City Management Association, the British Know-How Fund and the Hungarian Council of Local Government Authorities. The overall aim of this program is, to build on the experiences and participation of donor agencies in order to create a coherent municipal fiscal structure in Hungary on a national level. Undoubtedly the CUI participation in the SNDP would be an ideal disengagement opportunity for the CHMCP.

3. ANALYTICAL REVIEW

CHMCP Analytical Review, Comments and Recommendations

Introduction

The Canada - Hungary Municipal Cooperation Program has fulfilled or surpassed, in most cases, what it intended to do. The major lesson learned from this project is that a highly consultative approach with all involved stakeholders is key to having a smooth running project. Regular communications, consultations and structured but flexible workplans helped to build an effective, well-oriented, responsive team in Hungary and Canada. Identifying professional associates who could sit on advisory committees in both countries was also invaluable in receiving timely advice on implementation. Working closely with CHMCP partner municipalities CUI made sure to involve them in decision making processes which affected them. This positive example has led to the institutionalisation of these processes in CHMCP partners' municipal culture.

What follows is a summary analytical narrative of the project's results as well as comments and recommendations for similar future projects. This analysis draws heavily on the results shown in various performance measurement tools, evaluation forms and sessions, regular correspondence and internal progress reports and workplans. A summary matrix which compares actual achievements with the CHMCP Contribution Agreement commitments is also attached. The final financial report and an explanation of variances between forecasted and actuals is attached as an appendix to this report.

Project Rationale and Summary Results

The project rationale was that the Canadian Urban Institute would undertake to assist Hungary's democratisation process by supporting the formation of democratic and self-reliant municipal management systems in a manner that generates mutual benefits for Canada and Hungary and that are sustainable in the long term. A number of results have derived from the project:

- *Committee Systems*. The main contribution the CHMCP has made in this area which is sustainable in the long term are the formation of committee systems. Each city has created advisory committees (similar in composition and function to Canadian Committees of Council); these committees mandate is to develop and implement Municipal Economic Development Strategies (MESD's) as well as specific demonstration projects.

- *Stakeholder Involvement*. However, this method of working which is visible, public and works on the building of consensus across a broad selection of stakeholders has pervaded the "municipal culture". Previously unheard of as consultative and administrative bodies, committees now operate based on CUI training in areas as diverse as economic development, physical and infrastructure development, specific investment projects, health, culture and education, social affairs and means to improve service to citizens. Where measured, there has been a noticeable increase in resident satisfaction with local government.

- *Facilitation and Consultation*. Techniques in facilitation and consultation have also been implemented administratively in a successful committee which acts as a clearinghouse for community based NGO's and has attracted 30 NGO's to date. This visible, accountable process is both a more democratic and more efficient than the former closed approach. This committee structure continues in Eger, for the ongoing development of the spa complex and in consulting stakeholders in District XX on the implementation of the strategic plan. An obvious sign of support for this process has been the adoption of strategic plans developed in consultation with the communities by the respective Councils of each municipality.

- *Investment Attraction and Linkages*. A secondary benefit of the committee systems is that it is a method of working and governance which Canadians understand and expect. In the formation of linkages and efforts to attract Canadian investment to Hungary, Canadian consultants have remarked that most Canadian cities would be fortunate to have such well functioning committees. Assisting decision making processes to become more visible has and will continue to create a positive climate for Canadian investment in Hungary and for the formation of joint partnerships.

- *Investment Promotion Tools*. As a result of the MESD processes, investment brochures in multiple languages and formats, business and financing plans, city profiles and economic development positions/functions have been created. Although Canadian participation has not been as strong as had been hoped, considerable and lasting investments have been made in CHMCP partner cities including the development of the largest shopping centre in Central and Eastern Europe, what will be one of the largest employers in Nagykata, as well as expressions of interest from international investors.

- *Investment Opportunities for Canadians*. Key opportunities suitable for Canadian investment and partnership have been identified in areas such as infrastructure provision, environmental and professional consulting, construction of hotel and tourist facilities, housing, construction materials and many more. These ideas have been researched and presented to Canadian business audiences at venues such as boards of trade. Ongoing relationships have been directly facilitated by CUI in the areas of municipal infrastructure, engineering services, capital investment, marketing and promotion, water treatment and others. These linkages, based on the exchange of understanding and knowledge, particularly Western-style business practices and expectations, will be ongoing and will continue to benefit Canadian firms in the future.

- *Lessons Learned*. The key lesson learned was to focus on selected investment projects identified by the municipalities themselves and explore them in great depth. A single successful demonstration project can mobilise community resources and enthusiasm. A second key lesson is to create a process

which encourages the participation of partners. By getting them to generate many of the ideas, there is also less corporate inertia to getting them to institutionalise them into their municipal culture. Well functioning committee systems, previously unheard of, are a feature of every CHMCP partner.

Political Considerations

- *Background*. The CHMCP took place during a period of relative municipal political stability in Hungary. The major considerations have been shifting and uncertain priorities at the national level, which has affected among other things, transfer payments to municipalities. As a result municipalities have had to diversify their revenue sources. The CHMCP focus on investment attraction and economic development was very well timed.

- *Key Partnerships*. The CHMCP has enjoyed the strong support of all three partners throughout as well as the President of Hungary and other relevant senior officials, ministries and professional associations. Letters of support are attached to this report as an appendix.

- *Consultative Approach*. Not only has CUI advocated a consultative approach to CHMCP partner municipalities, it also practices it. This has been achieved through regular visits to Hungary by the Toronto based Project Manager and CUI staff and associates. As well, regular communication of our activities through vehicles like the Hungarian project newsletter has kept politicians informed and invited their involvement. Regular and timely communication minimised or eliminated many of the day to day political problems.

Project Scheduling

Overall, since the project has achieved (or over-achieved) its goals, there have been no significant difficulties in project scheduling. As could be expected, certain activities such as the demonstration projects took more effort than expected initially to implement. Lobbying of financing agencies for these projects is an ongoing activity, and as with all major projects, phased implementation was anticipated from the beginning.

As the project evolved we were pleased for example to see the success of our media and communications plan. Because the municipalities and private media were involved and effective in reporting on the CHMCP, the production of newsletters for example could be reduced. The overall objective of getting our message out to stakeholders was achieved but the means to do it were more successful than we had originally planned. The general approach to scheduling has been structured but flexible. Progress was noted and monitored on a weekly basis.

The lesson learned from this is that if a demonstration project or MESD is created with community participation, then it will automatically attract local media attention.

Logistical Difficulties

There were no significant unanticipated logistical difficulties. This was primarily due to administrative and communications systems which were put into place early on in the project including:

- Daily correspondence by Email, fax or telephone. This ensured that issues were identified on a daily basis as they arose and were dealt with in a timely manner

- Well coordinated administrative systems and procedures.
- Periodic visits to Hungary by CUI staff and associates. This allowed opportunities for transfer of information, project management skills training and advice.
- Periodic visits to Canada by Hungarian CUI staff and associates. Study tours and visits were also opportunities to resolve issues and to conduct intensive workshops.
- Regular contact between head office and field staff minimised logistical difficulties

Public Relations Issues

In terms of the interface between the CHMCP and the partner communities, this can be broken down into distinct areas, namely stakeholder communications, public communications, media strategies and Hungarian and Canadian perceptions of the program.

- *Stakeholder Communications*. The cardinal rule has been communication with stakeholders, both sharing and listening. Our demonstration projects were ultimately much richer because of the input received and incorporated from our stakeholders. Communication about the program was also achieved through a strategic and successful media relations campaign. Stakeholders were involved early and kept informed throughout the program. The strategic plan of District XX for example, was produced in several versions, ranging from the highly detailed and technical to a four page summary rich with graphics to communicate effectively with as broad a spectrum as possible. Numerous public fora in partner municipalities both provided opportunities for stakeholder comment and input.

- *Corporate Communications*. As discussed earlier, regular communications as well as the development of communications and internal administrative protocols helped the CUI to communicate and respond effectively.

- *Media Strategies*. Because the curiosity of the local media was aroused, the CHMCP enjoyed extensive media coverage on radio, television and print. In total 15 publications, 3 Hungarian newsletters, 5 Canadian newsletters and 60 media outputs were achieved.

- *Hungarian and Canadian Perceptions of the CHMCP*. In addition to keeping key professional, business and trade organisations informed of CHMCP activities, protocol events with the Hungarian Embassy, for example, were opportunities to form alliances and partnerships which benefited CHMCP partner municipalities. Canadian activities included formal and informal presentations, study tours and the CUI's newsletter. Advisory Committee members also acted as effective conduits to their respective organisations about the latest CHMCP developments

Synergies Between the Institution and Other Projects Funded by CIDA

CUI took advantage of cost and idea sharing opportunities between our other CIDA funded projects in the region. Project visits were combined across the region to save on travel costs and to increase the contact between the Canadian office and our field offices; additional opportunities to increase contact among our offices were also taken advantage of, for example in bringing Baltic and Hungarian delegates to each other's regional workshops. Many of the issues are common to the whole CEE region and many of the solutions identified by local partners are relevant to jurisdictions in other countries in the region.

This is the same with respect to study tours. For example in November 1996, a study tour on municipal economic development and strategic planning consisted of delegates from Hungary, Latvia, Lithuania,

Estonia and the Philippines. The similarities and differences made for a very constructive learning experience for all.

Partnerships and Synergies Between Project and Other Organisations or Cities)

The CHMCP partner cities did not just support the demonstration projects by donating staff and office space. In the case of District XX, they made allocations in the city budget to support the implementation of the Canada Park project. Total CHMCP related allocations totalled more than 3,000,000.00 HUF. In the city of Nagykáta, the telehouse information centre project applied for and received grants from both the Hungarian Ministry of Communication and Infrastructure (1,500,000.00 HUF) and from the Network for Democracy, USAID (1,000,000.00 HUF). The City of Eger integrated the "Eger - City of Spas" project into the city budgeting process. About 200 million HUF has been allocated for the implementation of the program and upgrading of facilities.

Other partnerships have included the World Bank commissioning MUT and CUI to produce a handbook on municipal alternative service delivery. This project builds upon the work of the CHMCP and involves developing a methodology and collecting case studies.

The fifth CHMCP regional workshop (titled the "National Workshop for Policy Dialogue") was held in partnership with the World Bank, IBRD, USAID, ICMA, BKHF, UI and the Hungarian Council of Municipal Associations.

Each of these synergistic events was partly a result of and also contributed to the development of the CHMCP's networks, credibility and capability.

Matrix of Actual Achievements Versus Contribution Agreement Commitments

Contribution Agreement Commitment	Actual Achievement	% Achieved	Comment
Objective 1 ***To support the formulation and implementation of two municipal economic strategy development (MESD) processes***	Three MESD processes were completed. One each in Pesterzsébet, Nagykáta and Eger.	150%	A third municipality, Eger, was added because they had already completed a CUI assisted strategic plan and requested assistance in implementing a sectoral MESD process. CUI saw great opportunities for synergies between the three projects and determined that we had the capacity to complete all three successfully
Conduct a competitive process to select two municipalities for MESD's	2 municipalities were selected competitively; a third was added based on previous CUI involvement and request by municipality.	150%	-Pesterzsébet was selected because it was located in the RSD eco-region of the previous CUI project. -Nagykáta made a strong case for being a representative "de-industrialising" Hungarian municipality -Eger is representative of a historic municipality whose future lies in tourism development
Assist in the implementation of at least two demonstration projects (action plans) in each of the MESD processes (i.e., 4 in total)	8 demonstration projects were undertaken.	200%	These include: -3 investment brochures -A municipal management restructuring -A new park (Canada Park) -Rehabilitation of the Danube shore -A marketing program for Eger -Nagykáta's reference centre
Establish 2 performance measurement systems (PMS') for monitoring and evaluating the implementation of each MESD process	3 PMS' were established	150%	This technique proved successful and each municipality has since applied these techniques to numerous sub-activities within the MESD's
Create 2 multi sectoral committee systems for economic development purposes	3 committee systems were established	150%	The committee members donated the equivalent of 91 person months in total to the project. Each committee dealt with implementing the demonstration projects as well as larger economic development and CUI-Hungary project management issues
Create two municipal economic development strategies (plans)	3 municipal economic development strategies	150%	In Pesterzsébet and Nagykáta these plans started by examining the overall municipality and then identified specific opportunities within; in Eger, the starting point was the development of a specific sector which then broadened to include general opportunities in the municipality

Produce two situational analysis documents for investment promotion purposes	3 situational analyses	150%	In the case of Nagykáta, this was the first time comprehensive data on the municipality had been collected and analysed. In Pesterzsébet the document helped to identify specific investment opportunities. Eger's situation analysis was immediately useful in the spa marketing efforts
Prepare 4 financing / business plans for priority projects	5 financing / business plans	125%	Business and/or financing plans were prepared in order to obtain support and/or financing for: -The investment brochures for Pesterzsébet and Nagykáta -Creation of Canada Park -Nagykáta's reference centre -Marketing program for Eger's spa complex
Create 2 organisational effectiveness programs	2 organisational effectiveness programs	100%	Pesterzsébet implemented a managerial restructuring based on CUI assisted recommendations. Nagykáta has institutionalised effectiveness techniques learned through CUI workshops
Assist in securing investment funding for demonstration projects and complimentary activities	6 significant funding proposals were prepared (2 Pesterzsébet; 2 Nagykáta; 1 Eger; 1 Hungarian municipalities).	100%	5 out of 6 proposals were successful and financially supported the implementation of CHMCP activities. Most importantly, the skills and experiences gained by partners in applying for funding were the real legacy of this activity
Objective 2: ***to diffuse municipal management expertise throughout Hungary***			
Conduct 25 capacity building seminars / workshops in Hungary	33 seminars / workshops were conducted with over 500 participants	132%	Both the anticipated number of workshops and participants were exceeded
Undertake 12 Hungarian professional assignments in Canada and the preparation of corresponding assignment reports	17 professional assignments were undertaken in Canada	142%	Due to efficiencies with other projects, CUI was able to bring more people than anticipated
20 Canadian professional assignments undertaken (at 19 days each for a total of 380 days) in Hungary and preparation of corresponding assignment reports	11 Canadian professional assignments were completed (excluding CUI staff training trips) for a total of 325 days	86% of days; 55% of people	A total of 325 days were distributed among 11 Canadian professional assignments. CUI's initial experience showed that the most efficient assignments were of a longer duration and allowed both parties to focus better. Some of the training objectives contained in the assignment workplan were achieved more cost efficiently during the two Canadian study tours.

Conduct 3 regional workshops and preparation of proceedings	5 regional workshops were conducted	167%	-Each lasting 2 days, the five workshops were well attended and covered the following topics: 1. Strategic Planning Methodology, Facilitation and Quality Management (March , 1997) 2. Multi-Stakeholder Strategic Planning Techniques (April 1997 in partnership with MUT) 3. Public Participation in Planning (May, 1997) 4. Municipal Economic Development (October, 1997) 5. National Workshop for Policy Dialogue (June, 1998) which examined the results of the CHMCP as well as directions for national / sub-national policy. Held in partnership with CIDA, World Bank, IBRD, USAID, ICMA, BKHF, UI and the Hungarian Council of Municipal Associations
	Participated with CHMCP partners in 2 other organisations' regional workshops	In addition to agreement	1. Local Governments and Economic Development: Lessons for Economies Undergoing Decentralisation (June, 1997) 2. Municipal Creditworthiness and the Financial Risks of Local Authorities (July, 1997)
Produce 20 publications including newsletter and studies	Produced 18 publications including 3 newsletters and three translated publications	100%	Fewer publications were produced than expected, however some of the documents compile the work of several authors. Additionally, materials such as the investment brochures and summary strategic plan were also produced in English, effectively as separate documents. Including these as separate publications increases the total number to 18 publications
Compile 20 best practices and case studies	Compiled over 60 case studies and best practices	300%	CHMCP partners confirmed the usefulness of the case studies to the project and collected more than were anticipated. Case studies were identified in response to specific project needs
Build the capacity of 100 Hungarian professionals	-Over 500 professionals attended CUI seminars / workshops -Over 3,000 Hungarian CUI newsletters circulated -56 professionals participated in CUI advisory committee activities	500%+	CUI's relationship with its partner municipalities as well as organisations like MUT has meant that skills and approaches learned through the CHMCP have been institutionalised in the municipalities and will be taught to other professionals
Generate 50 media outputs	60 media outputs generated	120%	CHMCP demonstration projects and investment promotion activities caught the public's, and hence the media's, attention. Media interest in our activities included radio, television and print coverage
Develop curriculum and course materials based on the CHMCP experiences	Course outline and textbook in municipal strategic planning and	100%	The textbook is based on both CHMCP Canadian and Hungarian materials. The textbook will be distributed for use by Hungarian municipal officials. The course is

	economic development approved by Szechenyi István College, and will be taught in 1999		also being considered by the Faculty of Economics of Gyor University as a mandatory course; as well, Eszterházy Károly Teacher's Training College in Eger is considering aspects of the curriculum
Objective 3: ***to promote the creation of mutually beneficial linkages between Canada and Hungary***			
Establish a network / committee system of participating Hungarian and Canadian organisations	-A multiplier effect occurred through our contacts and dissemination through organisations like the Hungarian Canadian Chamber of Commerce, the Toronto Board of Trade and our database of over 700 Canadian firms / organisations interested in business in Hungary	100%	Many of the contacts formed during Canadian study tours have continued under their own momentum. Through our network, we have received numerous inquiries about the CHMCP and to contact other members of the network
Produce 8 newsletters in Canada on CHMCP activities and informing of 30 Canadian organisations on a regular basis.	-Produced 8 stories on CHMCP activities -Data base of over 700 Canadian companies interested in or working in Hungary -At least 30 organisations were kept informed -Presentations for both Canadian and Hungarian audiences on the CHMCP	100%+	-Rather than producing one story for each of 8 newsletters, 8 stories were spread among 5 newsletters. -The data base was developed for marketing and research purposes and has allowed us to find many useful contacts and linkages for the CHMCP -Informing Canadian organisations was achieved through the Canadian Advisory Council, public events at venues such as the Toronto Board of Trade as well as project and opportunity specific meetings and through the CUI newsletter
Conduct 12 meetings of the Canadian Advisory Committee	-Each Advisory Committee member donated the equivalent of 8 days per year or 16 days in total over the CHMCP	100%	Some members of the Advisory Committee donated far more time than required by the meetings alone.
Secure contribution from 20 Canadian organisations	23 organisations and individual consultants contributed	115%	Participating organisations hosted Hungarian professionals, gave presentations during study tours, wrote articles for CUI newsletters, provided peer review of documents, travelled on assignment, mentored a Hungarian professional or gave strategic advice on key

			issues
Identify business opportunities in Hungary for Canadians	Several opportunities identified negotiations and discussions ongoing	100%	-Contacts / presentations made between Canadian firms and CHMCP partners include firms in the following sectors: engineering, environmental, legal, construction and financial services, municipal infrastructure, import / export services, land development and planning, forestry, and computer systems -The Canadian Embassy (Hungary), the HCCC and Toronto Board of Trade were kept well informed about the CHMCP -Through the production of the marketing strategy for Eger and the investment brochures for Nagykáta and Pesterzsébet, specific and general opportunities were identified and distributed both on paper and electronically
Create self-sustaining linkages between Hungary and Canada		100%	Ongoing linkages include: -Szechenyi István College and Ryerson University -Exchange of information between the Cities of London, Toronto and Ottawa and CHMCP partners -Business linkages / contacts between CHMCP partners and the Canadian private sector

4. PROJECT SUMMARIES

Budapest District XX (Pesterzsébet)

Background:

District XX is located in the Southern part of Budapest, approximately 45 minutes by public transit from Central Budapest. It borders the branch of the Danube known as the Ráckeve (Soroksári) Duna, the focus of the previous CUI project in Hungary. It is primarily a residential community, with large areas of low-rise single family housing interspersed with medium and high density development dating mostly from the 1960s, in varied conditions. The northern end of District XX includes abandoned industrial lands in need of redevelopment.

Baseline Data:

In District XX, municipal decision making processes were based upon the input of a small elite team, and did not effectively incorporate public involvement. Further, District XX did not have a strategy for municipal economic development, nor any entrepreneurial or investment promotion programs or materials.

Activities:

- Established a multi-stakeholder committee system, which met on a regular basis, consisting of:
  - Strategic Planning Team to manage the project.
  - Sub-committees to examine sectoral issues on: economic development; city development; sport, health, culture and education; social affairs; and better municipal service for citizens.
  - Strategic Planning Working Group to oversee the implementation of the strategic plan. This Working Group consists of the Mayor, Heads of Departments, András Szabó, the Manager of Strategic Planning for District XX, and the CUI.
- Implementation of a communications and public awareness campaign to inform residents of the activities and results of the CUI program. Newspapers, radio, television and the CUI newsletter have been utilised to disseminate information.
- Conducted a series of 6 workshops and 11 meetings for the creation of a strategic plan for District XX.
- Prepared a detailed situation analysis:
  - completed a physical, demographic and economic assessment with the assistance of the firm BUVATI.
  - Contracted and designed an extensive attitude survey of 1,000 residents by the polling firm Gallup.
  - conducted a separate survey of 313 people from 28 NGOs and 303 students from 20 schools.
  - conducted 35 in-depth interviews with prominent citizens such as heads of political parties, churches and medical institutions, school principals, entrepreneurs and sport managers.
- Consulted with owners of businesses and enterprises on the results of the situation analysis; and the identification of strategic directions and required actions.
- Conducted a Strategic Directions Workshop and an Action Planning Workshop with significant stakeholder participation. These workshops were aired on the local television station.

- Distributed the draft Strategic Plan of District XX for feedback to the media, citizens, community groups, business interests, the Municipality of Budapest, and the Ministry of the Interior.

- Organised "open office hours" for the Strategic Planning Office throughout August 1997 to obtain residents' input on the draft Strategic Plan.

- Continued to disseminate the Strategic Plan by:

  - producing a textual and graphic summary for mass distribution to residents.
  - organising a public forum with the participation of Councillors and STOB members, to solicit feedback on the plan. This forum was evaluated and follow up activities were carried out, according to the Council approved workplan for 1998.

- Established an NGOs' Forum to gain their input and participation in the services of the district. To date, 30 NGOs have participated.

- Undertook a management restructuring demonstration project focused on improving the delivery of services:

  - conducted a series of workshops with staff and citizens to assess performance and identify areas for improvement. These sessions were facilitated by Professor Eva Samery, from Canada's Ryerson Polytechnic University.
  - developed a program for administrative restructuring and promoting business-friendly relations, with the assistance of Lou Sage, former CAO of the Regional Municipalities of Hamilton and Sudbury, Canada.

- Facilitating the establishment of a park in District XX, to be named "Canada Park" through preparing detailed technical and business plans. A grant from the Canadian Embassy was applied for to support the project, which is planned to be inaugurated on Canada Day, 1999 by the Canadian Ambassador to Hungary. The Park will have a monument acknowledging the contributions of and collaboration between CIDA, the Canadian Embassy, CUI, the Municipality of District XX, and the Civil Association for District XX.

- Prepared a municipal investment brochure in English and Hungarian for dissemination in Canada and Europe. Sally Preiner, CUI Associate and marketing expert, assisted in its development.

- Worked with the Civil Association for District XX on developing a series of 10 training programs and fora on local governance and democratic decision-making. A funding application to EU PHARE was made in 1998 to support this activity.

- Worked with the Hungarian Development Foundation (HUDEFO) to develop programming with funding from PHARE and ECOS Ouverture grants.

- Participation of District XX professionals in CUI-sponsored training activities included:

  - Study Tour in Canada on Strategic Planning and Municipal Economic Development.
  - 4 CHMCP Regional Training Workshops.
  - World Bank's Economic Development Institute Conferences in Budapest on local government and economic development, and on municipal creditworthiness.
  - Canada Baltic Municipal Cooperation Program Regional Training Workshops in Tallinn on municipal economic development and investment promotion.
  - Study tour of Canadian Experiences in Public-Private Partnerships, Alternative Service Delivery and Investment Attraction, June 1998.

- Prepared and distributed an investment attraction folder including a brief history of the District, useful general facts and attractive photographs and graphics. The folder is available in both English and Hungarian.
- Continued implementing the CHMCP-developed municipal management restructuring program.
- Finalised the business plan for the "Danube Shore" and translated it into English with the assistance of Sally Preiner, CUI Associate.
- Continued to implement the Communications Plan by participating in local TV shows and being interviewed for articles in local and national newspapers.
- Participated in organising the final regional workshop of the CHMCP on June 30 and July 1, 1998. This event was held in partnership with the World Bank, USAID, the British Know-How Fund, and the International City Management Association, among others.

Outputs:

- Signed a Contribution Agreement with District XX, describing the obligations of the municipality in the implementation of the CHMCP. According to this Agreement, District XX contributed to the CHMCP at no cost a full-time Project Manager and Project Coordinator, office space for the CUI, accommodation and translation for Canadians on assignment in District XX, as well as facilities for CUI workshops and seminars.
- Produced a situation analysis document for District XX containing physical, demographic and economic assessments, and data on citizens' preferences, motivations and attitudes on topics such as the degree to which residents know of and approve of the actions of the Municipality, the extent to which people would be willing to pay more for certain services, etc. Overall, the priorities of the district were public safety, health and social services, and job creation.
- Published and distributed a 100 page Strategic Plan document, December 1997.
- Published and distributed a 10 page summary of the Strategic Plan document which included a detachable questionnaire.
- Prepared and published a 4 page graphic version of the Strategic Plan document in English and Hungarian.
- Prepared and published an 8 page Investment Brochure in English and Hungarian. The brochure was based on a series of interviews with key local businesses.
- Prepared and published a series of company profiles in English and Hungarian as a supplement to the Investment Brochure.
- Prepared technical plans for the District on the Danube-shore, bicycle roads, establishing "Canada Park", and restoring the square "Magyarok Nagyasszonya".
- Prepared a business plan for the "Danube Shore" demonstration project.
- Prepared funding proposals for District XX:
  - ECOS Ouverture Program/Grant, in cooperation with the Municipality of Baja, to establish a modern computer network system.
  - PHARE Democracy Program, in cooperation with Civil Association for District XX, to conduct a series

of training programs on local governance and democratic decision-making.

Consequences:

- Establishment of a permanent Strategic Planning Office and function in District XX.
- Adoption of the District XX strategic plan by City Council by-law in January 1998.
- Established a City Management Department with responsibility for maintaining and renovating public property, buildings, parks and roads as well as operating the trade and service units.
- Established a municipal office and programs to promote economic development and assist new businesses.
- Improved municipal management efficiency through the amalgamation of the Accountancy and the Financial Departments.
- Incorporated public participation in municipal decision-making through the establishment of public forums and a NGO forum.
- Secured 1.5 million HUF from PHARE for the Civil Association for District XX to conduct a series of 10 training sessions to:
  - further develop local democracy.
  - foster cooperation between NGOs and the Municipality of District XX.
  - disseminate expertise on local democracy to NGO leaders.
- Secured 1.5 Million HUF in 1996, and 1 Million HUF in 1997, from the Municipality of Budapest to support CHMCP activities.
- The Municipality of Budapest supported the District's Bicycle Road Program with 1 million HUF in 1998.
- Signed a cooperation agreement between District XX and the Budapest Chamber of Trade and Industry to promote small and medium size businesses in District XX and to assist in the start-up of small businesses.
- Increased the number of small and medium size businesses operating in District XX in 1997 by 26%.
- Consequences of the assignment of Lou Sage, CUI associate:
  - "Open Town Hall". Improvements to the town hall suggested by Mr. Sage have been implemented making it more accessible to citizens through modernising the entrance, installing an electric door and posting the town hall's hours
  - Establish regular "Open Days" where the city staff, including the mayor, are fully accessible to the public to respond to their concerns.
  - Opened an office in November 1997 which offers many city department services in a single convenient location. This is an improvement for both municipal staff and citizens.
- Widened the scope of public service delivery. A survey indicated that some municipal services could be delivered by the City Management Holding (CMH), established in 1997. CMH now provides all management and maintenance services to municipally owned housing, and also offers these services to

all citizens.

- Established a new bylaw on the municipal social benefit distribution system. From January 1998, most of the social benefit is distributed not in the form of cash but in "giro" which can be used directly in certain shops and supermarkets.

- Signed an agreement between the municipality and TESCO Ltd. to establish a 100,000 m^2 shopping and entertainment centre, the biggest in Central and Eastern Europe. This 13 billion HUF investment will create jobs and opportunities for local suppliers.

- Approved by the Council, a bylaw that all roads in the district will have paved sidewalks on both sides by the year 2000.

- Established a Monitoring Committee for the Strategic Plan with the participation of key STOB members.

- Approved by Council a Strategic Planning/Monitoring Workplan for 1998. Four and eight year workplans were prepared and submitted to the new Council in November 1998.

- Surveyed Hungarian municipalities by including a questionnaire in the January issue of the periodical of the Ministry of the Interior, asking municipalities if they have a strategic plan and if they are interested in learning about community based strategic planning by attending the CUI Closing Conference. Thirteen municipalities responded to our invitation.

- Mrs. Irén Kiss, Notary of the Municipality of DXX and participant in CUI training programs, has been awarded the Golden Merit Cross of the Hungarian Republic for her successful and fruitful work by the President of the Hungarian Republic on March 13.

- The Municipality of Budapest provided 800,000 HUF to support the creation of "Canada Park". They also agreed to provide an additional 150,000 HUF to maintain the park and 150,000 HUF to support renewal of Canada Park in the future.

- As a result of the Strategic Plan:

  – Economic Development:
  -KNORR-BREMSE, a German Company in the District, received a tax allowance for 1997-99 in return for employing local labour in its development.
  -conducting a survey to assess road conditions.
  -implementing a regional cable TV network by MATÁV (Hungarian Telecommunication Co.).
  -completed a cadastral survey of municipally owned lands.

  – City Development:
  -established the priority of eight roads to be improved in 1998.
  -completed the physical plan of the Danube Shore.
  -started to identify the ownership of the territories of the Danube-Shore project.
  -began preparing a cadastral survey/register of green territories.

  – Education, Culture and Health:
  -negotiating transfer of ownership of the "Csili", the Cultural Centre of the District, from the Capital to the municipality.
  -established the City Symphony Orchestra and the Majorette Group.
  -started school and family health care programs with the addition of an extra physician and three

district nurses.
-established youth dental care program on February 1, 1998 one of the top priorities of the Strategic Plan.
-inaugurated the Family Support Centre in District XX on April 22, 1998.

- Social Welfare:
-employed 20 unemployed people with a municipally-owned company.
-approved Council bylaw which states that any public building which is being renovated should consider the needs of the physically challenged.

- Sport:
-began implementing the development of the planned sports stadium. To date 168 million HUF has been raised from public and private donations to support construction.

- Better Municipal Service:
-implemented a toll free telephone number for the municipality in March 1998.
-issued a guide of the services available from City Hall.
-initiated summarised narrative and graphic versions of the strategic plan to explain it to the citizens.
-restructured the Public/Social Welfare Department of the municipality such that it has caught up with its 3 month backlog.

Eger

Background:

Eger has a population of 62,000 and is located 130 km east of Budapest, next to the Bükk Mountains. Eger is primarily known for its tourism, due to its historic centre and castle, and its location in the centre of a wine-producing region. Eger also contains a large number of hot water springs with reputed medicinal properties, which the city wishes to promote in the hopes of attracting additional tourists and investment.

Baseline Data:

Eger is part of Eastern Hungary, a region that lags behind the Western region in foreign investment, employment rates and infrastructure development. With the fall of the Soviet Union, tourism revenues declined drastically. Further, the spa facilities in Eger fell into disrepair. In 1994, the City of Eger prepared a municipal strategic plan with the assistance of the CUI. Tourism and the spa industries were identified as priorities for economic development as a result of the strategic planning exercise. Consequently, two demonstration projects were selected for further development: the development process and its many facets, of the "City of Spas Eger" and the preparation of an Investment Brochure; CUI's activities have focused on the steps necessary to implement these two projects.

Activities:

- Established a multi-stakeholder committee system, which meets on a regular basis, consisting of:
  - Strategic Planning Team to manage the project. László Habis, Deputy Mayor of Eger, is serving as

Project Manager, and Zoltán Mályinkó is serving as Project Coordinator.
  - Strategic Planning Committee, consisting of key stakeholders, to direct the process.
  - Sub-committees /Workgroups/ to examine sectoral issues.

- Conducted on-site training workshops with Strategic Planning Committee and municipal staff on strategic planning, public participation, organisational effectiveness, and group facilitation.

- Implementation of a communications and public awareness campaign. Newspapers, public forums, radio, television and newsletters have been utilised to disseminate this information.

- Assisted Eger in the implementation of components of its municipal strategic plan, including the development of a program to preserve its historic downtown.

- Preparation of a municipal economic development plan.

- Preparation of a situation analysis of the spa industry in Eger:

- Preparation of a strategy for developing the tourism and spa industry in Eger:

  - conducted a public opinion survey to identify the priorities for the "City of Spas" Project.
  - prepared and inserted a questionnaire on Eger's spa industry into local and regional newspapers as well as spa-related media.
  - collected data on: spa and tourist facilities, tourism marketing, health, sport, water quality, environment, infrastructure, neighbourhood affairs and economic issues.
  - Developing a demonstration project focused on the creation of a marketing program for promoting the tourism and spa industries as well as preparation of business and marketing plans for spa sub-projects

- Prepared an investment brochure.

- Provided opinion surveys and case studies in tourism as useful models for the city's planning processes.

- Made presentations on the benefits and results of the project to date to H. Corneau (CIDA) and A. Labrecque (Canadian Embassy) during their visit to Eger.

- Participation of Eger professionals in CUI-sponsored training activities included:

  - Study tour in Canada on strategic planning and economic development.
  - The second CHMCP Regional Workshop.
  - The third Training Module.
  - Study tour in Canada on alternative service delivery, public-private partnerships and investment attraction.
  - intensive two day marketing, municipal corporate strategy and sales workshop.

- Organised the assignment of Canadian experts in strategic marketing and investment attraction, and municipal finance, to help Eger with strategic aspects of the spa development strategy. The development strategy builds upon the existing situation analysis.

- Involved the city in World Bank studies on alternative service delivery and an analysis of the municipality's finances and the impacts of current Hungarian national-municipal fiscal policy.

Outputs:

- Signed a Contribution Agreement between CUI and the City of Eger.
- Prepared a comprehensive situation analysis of the spa industry -- "Eger - a baroque city of spas". It contains local history, a description of spa facilities, statistics on consumers and hotels, an ownership map, geography, water analysis, results of a public survey, development concepts, and an overall budget. The findings will be included in a national survey of the spa industry in Hungary.
- Prepared a draft Economic Development Plan.
- Prepared a draft Spa Development Proposal.
- Prepared detailed corporate and marketing strategies for both the city as a whole and for the future spa complex.
- Conducted a detailed analysis of Eger's financial systems, access to credit, constraints and opportunities, in partnership with the World Bank's Subnational Development Program - Hungary. These are all key areas in the implementation of the spa development and marketing strategies.

Consequences:

- Achieved recognition as one of the most innovative municipalities in Hungary.
- Utilised strategic planning methodologies in the decision-making processes of various municipal departments. For example, senior administrators are now using facilitation techniques. Further, an analysis of the City's budgetary process has resulted in a new and innovative budgeting system.
- Integrated the "Eger - City of Spas" project into the city's budgeting process. About 200 million HUF has been allocated for the implementation of the program and upgrading of facilities.
- Based upon the spa industry strategy, Eger is undertaking the following activities:
  - reconstructing its Turkish Bath.
  - concentrating its tourism marketing towards attracting more Western European tourists, who are able to stay for longer periods of time and spend more money.
  - ongoing negotiations with Hungarian hotel chains and international financiers to increase the number of hotel beds in the city.
  - three construction projects related to the development of spa facilities.
- Establishment of a special committee (including rheumatology and tourism consultants) to ensure that the new and expanded spa facilities of the town would remain accessible to town citizens (financially and otherwise). This committee has prepared the draft Spa Development Proposal which will be submitted to the SPC.
- Establishment of a program for the preservation of Eger's historic downtown.
- Secured 2 million HUF from the Ministry of Industry, Trade and Tourism for tourism development. The spa industry situation analysis and strategic planning process were integral to receiving this funding.

- Initiation of a strategic planning process by the Regional Government surrounding Eger, using CUI methodology.
- The Vice-Mayor of Eger is lecturing at Hungarian universities and to other Hungarian municipalities about Canadian experiences and techniques in municipal economic development.
- Construction of a 12,000 m^2 shopping centre that was identified as a priority development in the strategic plan.
- The city has secured the right to build an industrial zone in the Southern part of Eger, a priority identified in the strategic plan.
- Began to fulfil priority needs identified in Eger's strategic plan through securing commitments from the Hungarian Government to:
  - make improvements to the motorway between Eger and Budapest.
  - upgrade the local train station.
  - establish a direct train route to Budapest.

Nagykáta

Background:

Nagykáta (population 13, 000) is approximately 60 km Southeast of the capital city of Budapest and was granted city status eight years ago. Under the command economy system of the previous regime, Nagykáta's main role was to supply labour to the capital, with the majority of the 5,000 members of the labour force commuting daily to and from Budapest. Those who did not commute found employment in the Nagykáta telephone assembly plant, municipal government, or on a co-operative farm.

Baseline Data:

Hungary's transition to democracy and market economy, which began in 1989, had an adverse effect upon Nagykáta. As state provisions, previously vital for the town's operation, were drastically reduced, the economic and subsequently, the social stability, of the town was reduced. By the early 1990s, Nagykáta had an unemployment rate of more than 13%, inexperienced town management and greatly diminished central government support. The town management had little managerial experience or understanding of how to involve citizens in planning matters. There was also a high level of citizen dissatisfaction with the local authorities, due in large part to the high unemployment rate. Limited recreational facilities and opportunities for young people reduced the town's ability to retain its young people. Further, Nagykáta did not have a municipal strategic plan to address development and other local issues. The municipality did not have any economic development professionals nor anyone with marketing experience. This resulted in virtually no outside investment and little cooperation with neighbouring communities.

Completed Activities:

- Established a multi-stakeholder committee system, which meets on a regular basis, consisting of:
  - Strategic Planning Committee to guide the strategic planning process. Katalin Bodroginé, Mayor, is serving as Project Manager and Mihály Basáné as Project Coordinator. Committee members have participated in national conferences, regional workshops, meetings with municipal finance experts, international aid agencies and other Hungarian municipalities.
  - Sub-committees to examine sectoral issues.
- Conducted training workshops with strategic planning committee members and the town management on: strategic planning, organisational effectiveness, municipal management, public involvement, research skills and municipal economic development.
- Implemented a communications and public awareness campaign to inform and elicit feedback from residents. Newspapers, public forums, radio, television and newsletters have been used.
- Prepared a municipal strategic plan which was approved in December 1997. This was the first time in the town's history that residents had been asked for their input to a planning process.
- Completed a situational analysis.
- Assisted in developing a demonstration project for the establishment of a town information centre which has secured almost all of its funding and will serve as:

- a resource centre for small businesses (could eventually evolve into a business incubator centre).
- an electronic library.
- the town's connection to the world wide web.
- an internet café to allow users to conduct research on the internet.
- an entertainment centre for youth, providing technological training and volunteer opportunities.

- Provided assistance to Nagykáta in applying for grants from the Hungarian Ministry of Education, USAID, and PHARE, for the establishment of a town reference centre.

- Prepared and disseminated (in foreign commercial circles in Hungary) of a municipal investment brochure printed in English and Hungarian in March 1998. The brochure provides a concise summary of investment possibilities, sites, local businesses and infrastructure. The original printing date was postponed due to the major investments being made in the town by the Clarion company and the improving status of the telephone factory, both proof of the changes taking place in the town's economic fabric.

- Constructed a Nagykáta web site containing, among other things, the investment brochure.

- Participation of Nagykáta professionals in CUI-sponsored training activities including:

  - Study tour in Canada on strategic planning and economic development.
  - 3 CHMCP Regional Training Workshops.
  - World Bank's Economic Development Institute Conferences in Budapest on local government and economic development and on municipal creditworthiness.
  - Study tour in Canada on alternative service delivery, public-private partnerships and investment attraction.

- Prepared and distributed a summary of the strategic plan to all residents of Nagykáta.

- Continued to assist in the establishment of a town information centre.

- Developed final business plans for the two Nagykáta demonstration projects.

- Updated the Nagykáta homepage on the internet.

- Ensured the effective operation of the Nagykáta implementation/monitoring committee.

- Established a performance/effectiveness measurement system, to aid the work of the implementation/monitoring committee.

Outputs:

- Signed a Contribution Agreement between the City of Nagykáta and the CUI.

- City Council passed a resolution to adopt strategic planning as the key methodology for preparing the town's development plan.

- Prepared a situation analysis document in May 1997. The document was distributed to all Nagykáta households, and was published in the local newspaper. It has been catalogued in the local library for reference purposes as it is the first comprehensive source of information about the town. It was updated in March 1998.

- Conducted 19 workshops (with an average participation of 15-18 people) within the framework of the strategic planning process.
- Completed a draft Strategic Plan, which was approved in December 1997. There are plans to regularly update the plan by the SPC, even after the conclusion of the CHMCP.
- Produced an investment brochure providing information on potential investment opportunities, development sites, the city's infrastructure, workforce, taxation and investment incentives.
- Created an action plan for the creation of a town information centre, which included preparation of business and financing plans.
- Created a Nagykáta website on the internet.
- Generated 15 articles in local and national media about strategic planning activities in Nagykáta.

Consequences:

- Secured a 900 million HUF investment from Clarion corporation to locate a car-navigation system factory in Nagykáta. This investment will directly create over 750 jobs. Nagykáta is now aggressively promoting itself to international investors, positioning itself as a progressive town with a positive environment for business. The mayor of Nagykáta gives CUI primary credit for attracting Clarion.
- Utilisation of participatory planning techniques which involve citizens in urban management issues.
- Increased coordination and sharing of information within the municipal government to speed up processes and avoid duplication.
- Appointed a local strategic economic development officer to the SPC in order to examine sustainable municipal land use.
- Increased the level of resident satisfaction towards the city administration since participatory planning techniques became part of the Nagykáta municipal planning process.
- Establishment of a Strategic Planning Office.
- Donation by the municipality of a building for the establishment of an information centre.
- Helped local library obtain grant from Hungarian government to establish information centre.
- Situation analysis document is serving as an important information source for municipal economic development activities for Nagykáta as it contains a comprehensive data base about the community which previously was not readily available.
- Continuation of CHMCP assisted activities is likely due to the skills base, facilities and ongoing monitoring initiatives built into the program's design.

Completion of a swimming pool in May 1998 - a priority identified in the strategic planning process.

APPENDIX A:

EXPLANATION OF VARIANCES BETWEEN FORECASTED AND ACTUALS (FINAL FINANCIAL REPORT)

Explanation of Variances

1. Appendix B illustrates the Canadian and Hungarian In-Kind Contributions. As the CUI gained experience with the specific demonstration projects we chose to realise a greater value to the project by bringing a greater number of Hungarians to Canada for shorter periods of time. Second, fewer Canadians were sent to Hungary, but the length of their professional assignments was longer. This two-pronged approach explains why the Hungarian in-kind contribution is much higher and the Canadian in-kind contribution is slightly lower than originally planned.

The total combined in-kind Hungarian and Canadian contribution specified in the Contribution Agreement was estimated to be $764,650.00 and the actual contribution was $1,065,860.00 or 39% greater than anticipated.

APPENDIX C:

CANADIANS WHO HAVE TRAVELLED TO HUNGARY

- **John Gladki** is the Director, Programs, Policy and Research Division for the Planning and Development Department of the City of Toronto. His assignment included the development of detailed project management and workplan structures as well as conducting workshops on facilitation and the implementation of strategic plans. A second trip was used to further the implementation of the strategic plans, to advise on the next phases of public consultation, monitor project progress and to assist with the development and implementation of performance measurement systems in partner municipalities.

- **Eva Samery** is a Professor of Urban Planning at Ryerson University. As a specialist in strategic urban planning she advised CHMCP partners and offered workshops in situational analysis and strategic visioning over two assignments in Hungary. She also assisted with questionnaire design, project management issues and implementation of strategic plans. She has played the pivotal role in developing the CUI curriculum in community economic development and strategic planning in partnership with Szechenyi Istvan College.

- **Charles Bens** is a Principal with Best Practices Consulting. Mr. Bens conducted workshops and worked with senior municipal management in the Cities of Pesterzsébet, Nagykata and Eger as well as MUT (the Hungarian Society for Urban Planning) to improve the effectiveness of their organisations. Areas covered included quality management principles including citizen involvement, employee involvement, continuous improvement and implementation strategies appropriate to each city. Mr. Bens conducted training in developing the core skills needed for quality management including facilitation, team building, conflict management, SWOT analysis, customer service, performance measurement, program evaluation, process mapping and benchmarking.

- **John Farrow** is the President of the Canadian Urban Institute and was formerly the Canadian leader of the Management Consulting Practice for Coopers and Lybrand. He conducted a workshop on public participation in planning as part of the CUI's training module on Strategic Planning and Economic Development. Workshop sessions included: an overview of municipal governance in Canada and Hungary and the purpose, tools and best approaches to public participation.

- **Edgar Sarton** is the Principal of Edgar Sarton Consultants. He is a specialist in international finance and investment attraction and has extensive private sector experience in the tourism and resort sectors. His experience was applied in assisting the City of Eger to develop their spa concept. His role was to identify opportunities and constraints and to analyse the potential of their economic development plans. He also assisted Pesterzsébet in conducting research for their investment brochure.

- **Lou Sage** is the former CAO of the Municipalities of Sudbury and Hamilton-Wentworth. His assignment was to advise Pesterzsébet on municipal corporate restructuring. This task included a review of management needs and development of new management practices in the context of creating a draft corporate strategic plan. This broad objective was implemented through changing the management structures, creating new job functions/descriptions (especially in the area of economic development), adopting a code of employee ethics, implementing stringent expenditure control procedures, and improving the physical and organisational design of the City Hall to make it more accessible to citizens.

- **Eric McSweeney** is the Director of Alternative Service Delivery for the City of Ottawa. His assignment included leading the CUI's third training module on Strategic Planning and Municipal Economic Development as well as assessing the municipal context of fiscal decentralisation. In addition, he completed an analysis of alternative service delivery initiatives in Hungary and identified specific sectors and approaches for potential Canadian cooperation. As a partial result of Mr.

McSweeney's assignment, a handbook for Hungarian municipal practitioners in Alternative Service Delivery is being developed in partnership with the World Bank's Subnational Development Program (Hungary).

- **J.W. (Bill) Preiner** is a former senior civil servant with the Ontario government and an expert reviewer and advisor on investment, and financial records and policies. His assignment to the City of Eger was to conduct a fiscal analysis of the municipality and generate recommendations on fiscal transfer policy, budgeting and debt management. His detailed report includes a revenue stream analysis and identifies options for the establishment of a municipal economic development "corporation" owned by the city. His report is currently being reviewed by the World Bank's Fiscal Decentralisation Initiative as a model for use in other Hungarian cities. The City of Eger and CESO have reached an agreement in principle to bring Mr. Preiner back to Eger to complete further work and analysis.

- **Sally Edmonds Preiner** is a Principal with Preiner Partners, a marketing consultancy which takes a community based approach. Ms Preiner's assignment was to develop a marketing strategy for Eger's demonstration project: the development of a spa/resort complex to take advantage of the city's natural hot springs. As the assignment progressed, it evolved into a project of creating a corporate marketing strategy for the entire city encompassing aspects of tourism, economic development, corporate strategic planning, community involvement and investment attraction, as well as the spa complex. A number of workshops were conducted to facilitate the development of this plan and Eger and CESO have reached an agreement in principle about Ms Preiner's return to Eger to assist with future implementation.